


Pennsylvania's Small Business Pollution Prevention Assistance Account

Making Environmental
Compliance Profitable

A graphic of a spiral-bound notebook with a blue cover and a silver spiral binding on the left side. A thick black horizontal line runs across the middle of the notebook, separating the top and bottom sections.

A low interest revolving loan fund
designed to help small businesses
implement pollution prevention and
energy efficiency projects.



Cooperative Program

- ⌚ Department of Environmental Protection (DEP)
- ⌚ Department of Community and Economic Development (DCED)



Air Quality Improvement Fund

- ⌚ Served as a template for the P2 fund
- ⌚ Low interest, non-revolving loan fund
- ⌚ Helped small businesses comply with the Clean Air Act
- ⌚ Money available for pollution prevention or pollution control

Legislation Required

- ⌚ Drafted as stand alone legislation creating a new loan fund
- ⌚ Rolled into a package of amendments modifying an existing loan fund
- ⌚ Created a new account within the existing fund.

What Did We Ask For?

- ⌚ Revolving loan fund
- ⌚ Reduce interest rate from 7% to 2%
- ⌚ Direct application to DCED to eliminate fees charged by intermediaries
- ⌚ Microloan program:
 - \$50k cap
 - no collateral requirements

What We Got

∩ Revolving loan fund

∩ 2% interest rate

∩ \$50k cap

What We Didn't Get

⌚ Elimination of collateral

⌚ Direct application to DCED

- Intermediaries still required, but fees capped at 1% of the amount borrowed

Who Did We Have To Convince?

- ⌚ DEP Secretary and budget office
- ⌚ DCED
- ⌚ Governor's budget office
- ⌚ Legislature

Information Needed to Make Our Case

- ⌚ Small business data for PA
- ⌚ Simple, concise explanation of P2
- ⌚ Examples of the types of projects that would be funded and the types of businesses that would benefit
- ⌚ Data from AQIF (types of businesses served, average loan amount, default rate, etc.)

A blue spiral-bound notebook with a black spiral binding on the left side. A thick black horizontal line is drawn across the middle of the notebook page.

Act 100 signed into law on
November 17, 1998

Where Does The Money Come From?

∞ Balance of Air Quality Improvement Fund

∞ Hazardous Site Cleanup Fund

- Hazardous Site Cleanup Act penalties
- Recovery of response costs
- Federal money
- Appropriations from the General Assembly

Loan Parameters

- ∩ 2% interest
- ∩ Fees = 1% of amount borrowed
- ∩ Maximum term is 7 years
- ∩ Can finance 75% of project cost up to \$50k
- ∩ Project must pay for itself within the term of the loan.



Definition of Pollution Prevention

“Pollution prevention is the reduction or elimination of pollution at the source. It occurs when raw materials, water, energy and other resources are used more efficiently, when less harmful substances are substituted for hazardous ones and when toxic materials are eliminated from the production process.”



Pollution Prevention Projects

- ∩ Closed loop water recirculating system
- ∩ Reusable material handling equipment
- ∩ HVLP spray guns
- ∩ Eliminating solvent-based coatings
- ∩ Wetlands designed to treat effluent
- ∩ Stage II vapor recovery systems
- ∩ Debarkers and chippers



Energy Efficiency Projects

- ⌚ Lighting upgrades
- ⌚ Electric motor upgrades
- ⌚ Energy Star small business program
- ⌚ More efficient drying/curing ovens
- ⌚ Green building equipment

A decorative graphic on the left side of the slide, resembling a spiral binding of a notebook. It consists of a series of black, three-dimensional, zig-zagging shapes that wrap around a central vertical axis. A small, light blue sphere is positioned on the central axis, slightly below the top of the spiral.

Application Process

∞ Two part application:

- Determination of Eligibility (DEP)
- Financial application (Dept. of Community and Economic Development)



Application Process

- ⌚ Determination of Eligibility submitted to DEP.
- ⌚ Letter of eligibility sent to applicant.
- ⌚ Financial application submitted to Department of Community and Economic Development.



Monitoring and Follow Up

- ∞ Annual progress report required for the term of the loan
- ∞ DEP Regional offices notified when and application is received and when one is approved
- ∞ Inspectors have access to database with project descriptions

Results Thus Far

- ⌚ Program became operational April 1
- ⌚ Fund being promoted heavily
- ⌚ Applications being distributed